

Message Text

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ORIGIN OPIC-06

INFO OCT-01 AF-10 ISO-00 EB-07 /024 R

DRAFTED BY OPIC/F: TPARNELL
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OPIC/F:BMHENDERSON
EB/IFD/OIA:DHSTEBBING
AF/E:RBAKER

-----022324Z 044955 /13

P 022141Z JUN 77
FM SECSTATE WASHDC
TO AMEMBASSY NAIROBI PRIORITY

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FROM OPIC

E.O. 11652:N/A

TAGS:EFIN

SUBJECT:POTENTIAL PROJECT - BAKERS YEAST

PASS PANIZZA

1. OPIC REPS MET WITH UNIVERSAL FOODS (U.F.) LAST WEEK AND ARE IMPRESSED WITH BOTH THEIR INTEREST IN PROJECT AND ABILITY TO UNDERTAKE IT. OPIC PLANS TO SHARE COST OF FORMAL FEASIBILITY STUDY WITH U.F. IF IDB INTERESTED IN HAVING THEM DO PROJECT. OPIC ALSO INTERESTED IN PARTICIPATING IN FINANCING RESULTANT PROJECT WITH IDB.

2. APPRECIATE EMBASSY EVALUATION OF YEAST MARKET RECEIVED LAST WEEK. HAVE FORWARDED TO W.F. ALONG WITH DATA FROM ISPC WHICH ALSO ARRIVED LAST WEEK.

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3. HAVE CABLED FOLLOWING TO KAMAU, IDB, TO CONFIRM OPIC AND U.F. INTEREST.

BEGIN QUOTE: C. NJOMO KAMAU, CHIEF OF OPERATIONS, INDUSTRIAL DEVELOPMENT BANK LTD., P.O.BOX 44036, NAIROBI, KENYA, AT THE REQUEST OF THE INVESTMENT SURVEY PROMOTION CENTER IN

THE MINISTRY OF INDUSTRY, OPIC HAS IDENTIFIED A POTENTIAL U.S. INVESTOR WITH SERIOUS INTEREST IN BAKERS YEAST PROJECT.

THE COMPANY IS UNIVERSAL FOODS CORP., OLD ESTABLISHED REPUTABLE FIRM WITH ANNUAL SALES OF 175 MILLION DOLLARS IN 1976. THE COMPANY, LOCATED IN WISCONSIN, HAS A HISTORY OF STEADY GROWTH AND IS IN SOUND FINANCIAL CONDITION. THE COMPANY HAS OPERATED 14 YEAST PLANTS AROUND THE WORLD OVER THE PAST TWENTY-FIVE YEARS.

USING ISPC FIGURES SUPPLIED BY OPIC, COMPANY HAS PREPARED PRELIMINARY FEASIBILITY STUDY WHICH ENVISIONS 1.2 MILLION TO 1.5 MILLION DOLLARS PROJECT CAPABLE OF PRODUCING TWO MILLION POUNDS OF COMPRESSED YEAST FOR THE LOCAL MARKET, WITH POSSIBLE DOUBLING OF CAPACITY OR CONVERSION TO DRY YEAST PRODUCTION WHEN WARRANTED. COMPANY IS WILLING TO TAKE TWENTY-FIVE PERCENT EQUITY POSITION IN A JOINT VENTURE AND PREFERS MAJORITY LOCAL PRIVATE SECTOR OWNERSHIP.

OPIC IS INTERESTED IN PARTICIPATING IN FINANCING OF PROJECT WITH LOCAL LENDERS AND IN ORDER TO MOVE PROJECT ALONG IS CONSIDERING SHARING COST OF DOING FULL SCALE FEASIBILITY STUDY WITH UNIVERSAL FOODS. COMPANY WILLING TO BEGIN STUDY WITHIN ONE MONTH; HOWEVER, WE HAVE ADVISED THEM TO WAIT UNTIL IDB EXPRESSES INTEREST IN THEIR DOING PROJECT. WE UNDERSTAND GERMAN FIRM ALSO LOOKING AT PROJECT. PLEASE ADVISE IF PROJECT STILL OPEN TO UNIVERSAL'S PROPOSAL AND OF YOUR INTEREST IN RECEIVING THEIR FORMAL PROPOSAL. OPIC FEELS ALL INGREDIENTS FOR A SUCCESSFUL PROJECT LIMITED OFFICIAL USE

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EXIST INCLUDING COMPETENT U.S. PARTNER WITH WILLINGNESS TO MAKE SERIOUS MANAGEMENT AND EQUITY COMMITMENT. OPIC ALSO VIEWS THIS AS POTENTIAL OPPORTUNITY TO WORK WITH IDB IN STRUCTURING AND FINANCING PROJECT PER OUR RECENT DISCUSSIONS. END QUOTE.

4. APPRECIATE EMBASSY FOLLOW-UP NEXT WEEK TO VERIFY RECEIPT AND ASSESS IDB REACTION UNLESS OTHERWISE ADVISED. DECONTROL FOLLOWING 11/31/77. VANCE

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FOODS
Control Number: n/a
Copy: SINGLE
Sent Date: 02-Jun-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977STATE127544
Document Source: CORE
Document Unique ID: 00
Drafter: TPARNELL
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770197-0542
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770696/aaaadgnu.tel
Line Count: 106
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 05f74086-c288-dd11-92da-001cc4696bcc
Office: ORIGIN OPIC
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 04-Feb-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2299892
Secure: OPEN
Status: NATIVE
Subject: POTENTIAL PROJECT - BAKERS YEAST PASS PANIZZA
TAGS: EFIN, BEXP, KE, OPIC
To: NAIROBI
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/05f74086-c288-dd11-92da-001cc4696bcc
Review Markings:
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